

962-T 696



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January 13, 2003

VIA HAND-DELIVERY

Sanford M. Speight, Acting Secretary
Public Service Commission
of the District of Columbia
1333 H Street, N.W.
2nd Floor, West Tower
Washington, DC 20005

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CHIEF CLERK
PUBLIC SERVICE COMMISSION

Re: Formal Case No. 962 and Formal Case No. 1011

Dear Mr. Speight:

Please find enclosed an original and fifteen copies of AT&T Communications of Washington, D.C. L.L.C.'s letter to Verizon regarding its December 18, 2002 notice to CLECs operating in the District of Columbia addressing UNE rates that Verizon intends to charge.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Mark A. Keffer".
Mark A. Keffer

Enclosures

cc: Service List



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January 13, 2003

BY FACSIMILE

Mr. John C. Peterson
Director-Contract Performance and Administration
Verizon Wholesale Markets
600 Hidden Ridge – HQEWMNOTICES
Irving, TX 75038

Re: DC Formal Case No. 962 and Formal Case No. 1011

Dear Mr. Peterson:

AT&T is aware of Verizon DC's notice to CLECs operating in the District of Columbia of Verizon's intention to begin charging UNE rates which are somewhat lower than the "FCC proxy" rates Verizon DC has had in place since 1996. The new UNE rates Verizon proposes to charge (herein, the "New York Benchmark rates"), are substantially higher than UNE rates prescribed as just and reasonable by the Public Service Commission of the District of Columbia on December 6, 2002, by Order No. 12610 in Formal Case 962. Verizon has filed a petition asking the PSC to reconsider those rates. By operation of District law, Verizon's petition for reconsideration has resulted in an automatic stay of the PSC-approved new rates.

Verizon's December 18, 2002 notice asserts that any CLEC that pays a bill reflecting Verizon's slightly-reduced "New York Benchmark" UNE rates will thereby implicitly consent to amend its interconnection agreement with Verizon to accept the "New York Benchmark" UNE rates until such time as the DC PSC issues its ruling on reconsideration. AT&T believes that the rate changes set forth in Verizon's notice are both illegal (because they are unauthorized by the PSC) and unlawful (because the changed rates are still far above the levels prescribed as just and reasonable by the PSC). Moreover, Verizon has no legal authority for unilaterally decreeing that a CLEC's payment of a Verizon invoice *ipso facto* constitutes acceptance of a change in the parties' interconnection agreement. Interconnection agreements are modified in the same manner that they are made – by written agreements executed by both parties.

What Verizon is attempting to do here is an obvious attempt to circumvent the intent of the DC PSC. The PSC's recent orders have given Verizon two clear choices: (1) implement the UNE rate reductions prescribed by the PSC on December 6, 2002,

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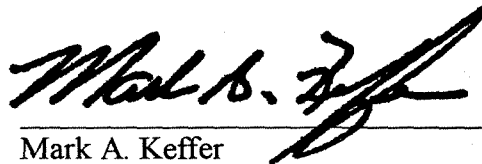
subject to the PSC's review on reconsideration, or (2) allow Verizon's inflated and unlawful 1996 FCC proxy rates to remain in effect, with the consequence that the PSC will not support Verizon's 271 application. By contriving CLEC "consent" to Verizon's unilateral implementation of "New York benchmark" rates, Verizon seeks to limit its rate reductions to only those amounts calculated to win FCC approval of Verizon's 271 application, while continuing its scorched earth litigation tactics against the rate reductions prescribed by the PSC. The PSC made clear in its January 6 order, however, that Verizon's proposed "New York Benchmark" rates are both illegal and unlawful. The fake consent that Verizon now seeks to bootstrap from the CLECs is as illegitimate as the rates themselves.

To avoid any ambiguity on this issue, AT&T and its subsidiaries hereby notify Verizon that they expressly reject Verizon's proposal that AT&T and its subsidiaries agree to pay the "New York Benchmark" rates and agree to any amendment, implicit or otherwise, to the interconnection agreements between Verizon and AT&T and its affiliates. If Verizon unilaterally reduces the UNE rates it charges AT&T and its affiliates to the levels of the "New York Benchmark" rates, AT&T will view those rates as a unilateral amendment in AT&T's UNE rates, equivalent to a gift for which AT&T has provided no consideration.

Respectfully submitted,

AT&T COMMUNICATIONS
OF WASHINGTON, D.C., LLC

By Its Attorneys

A handwritten signature in black ink, appearing to read "Mark A. Keffer", written over a horizontal line.

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Michael A. McRae
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cc: Natalie O. Ludaway, Esq.
David A. Hill, Esq.
Steve Sisk
Certificated CLECs in DC

Certificate of Service
Formal Case No. 962

I hereby certify that a copy of AT&T Communications of the Washington, DC L.L.C.'s letter to Verizon regarding its December 18, 2002 notice to CLECs was mailed first-class U.S. Mail, postage prepaid, to the following parties this 13th day of January 2003.

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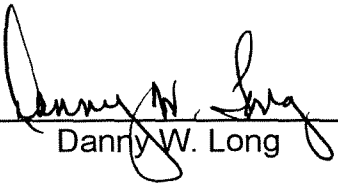
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